

investment options offered under the Separate Account B and C Contracts will not change. The Substitution, therefore, will not result in the type of costly forced redemption that Section 26(c) was designed to prevent.

7. With regard to all three of the Separate Accounts, the proposed Substitution is unlike the type of substitution that Section 26(c) was designed to prevent in that by purchasing the Contracts, Contract Owners select much more than a particular investment company in which to invest their Contract values. They also select the specific type of coverage offered by the Insurance Company under the Contracts, as well as numerous other rights and privileges set forth in the Contracts. The Substitution has no impact on these aspects of the Contracts.

Conclusion

For the reasons set forth in the application, the Applicants submit that the proposed Substitutions and related transactions meet the standards of Section 26(c) of the 1940 Act and that the requested orders should be granted.

For the Commission, by the Division of Investment Management, under delegated authority.

Kevin M. O'Neill,
Deputy Secretary.

[FR Doc. 2014-20090 Filed 8-22-14; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 31218; 812-14251]

Persimmon Capital Management LP and Northern Lights Fund Trust III; Notice of Application

August 19, 2014.

ACTION: Notice of an application under section 6(c) of the Investment Company Act of 1940 (the “Act”) for an exemption from section 15(a) of the Act and rule 18f-2 under the Act.

SUMMARY OF APPLICATION: Applicants request an order that would permit them to enter into and materially amend subadvisory agreements without shareholder approval.

APPLICANTS: Persimmon Capital Management LP (the “Adviser”) and Northern Lights Fund Trust III (the “Trust”).

FILING DATES: The application was filed on December 16, 2013 and amended on April 17, 2014. Applicants have agreed to file an amendment during the notice

period, the substance of which is reflected in this notice.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Commission’s Secretary and serving applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on September 15, 2014, and should be accompanied by proof of service on the applicants, in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer’s interest, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by writing to the Commission’s Secretary.

ADDRESSES: Secretary, U.S. Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090. Applicants: The Trust: Northern Lights Fund Trust III, 17605 Wright Street, Omaha, NE 68130; The Adviser: Persimmon Capital Management LP, 1777 Sentry Parkway West, Gwynedd Hall, Suite 102, Blue Bell, PA 19422.

FOR FURTHER INFORMATION CONTACT: Kieran G. Brown, Senior Counsel, at (202) 551-6773, or James M. Curtis, Branch Chief, at (202) 551-6712 (Division of Investment Management, Chief Counsel’s Office).

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained via the Commission’s Web site by searching for the file number, or an applicant using the Company name box, at <http://www.sec.gov/search/search.htm> or by calling (202) 551-8090.

Applicants’ Representations

1. The Trust is organized as a Delaware statutory trust and is registered as an open-end management investment company with multiple series. Each series of the Trust has its own investment objective, policies and restrictions, and each is managed by various advisers and subadvisers.¹

¹ The Persimmon Long/Short Fund (the “Persimmon Fund”) is a series of the Trust and is the only existing Fund (defined below) that currently intends to rely on the requested order. Applicants also request relief with respect to any existing or future registered open-end management investment company or series thereof that (a) is advised by the Adviser, including the Adviser’s successors and any entity controlling, controlled by or under common control with the Adviser (included in the term “Adviser”); (b) uses the manager-of-managers structure (“Manager of Managers Structure”) described in the application;

2. The Adviser is a Delaware limited partnership registered as an investment adviser under the Investment Advisers Act of 1940 (“Advisers Act”). The Adviser serves as the investment adviser of the Persimmon Fund. The Adviser provides investment management services to the Persimmon Fund pursuant to an investment advisory agreement with the Trust (the “Advisory Agreement”).² The terms of the Advisory Agreement comply with section 15(a) of the Act. The Advisory Agreement was approved by the board of trustees of the Trust (the “Board”; the term “Board” also includes the board of trustees or directors of a future Fund), including by a majority of the trustees who are not “interested persons” (as defined in section 2(a)(19) of the Act) of the Trust or Adviser (the “Independent Trustees”), and was approved by the initial shareholder of the Persimmon Fund in the manner required by sections 15(a) and (c) of the Act and rule 18f-2 thereunder.³

3. Under the terms of the Advisory Agreement, the Adviser is responsible for the overall management of the Persimmon Fund’s business affairs and selecting investments in accordance with the Persimmon Fund’s investment objectives, policies and restrictions. For the investment management services that it provides to the Funds, the Adviser receives the fee specified in the Advisory Agreements. In addition, pursuant to the Advisory Agreement, the Adviser may retain one or more subadvisers (each, a “Subadviser”) for the purpose of managing all or a portion of the assets of the Persimmon Fund. Pursuant to its authority under the Advisory Agreements, the Adviser intends to enter into subadvisory agreements (the “Subadvisory Agreements”) with certain unaffiliated

and (c) complies with the terms and conditions of the application (together with the Persimmon Fund, the “Funds” and each, individually, a “Fund”). The only existing investment company that currently intends to rely on the requested order, the Trust, is named as an applicant. For purposes of the requested order, “successor” is limited to an entity that results from a reorganization into another jurisdiction or a change in the type of organization.

² The Adviser will enter into substantially similar investment advisory agreements to provide investment management services to future Funds (“Future Advisory Agreements”). The terms of Future Advisory Agreements will comply with Section 15(a) of the Act, and Future Advisory Agreements will be approved by shareholders and by the Board, including a majority of the Independent Trustees, in the manner required by Sections 15(a) and 15(c) of the Act and rule 18f-2 thereunder. Applicants are not seeking any exemptions with respect to Future Advisory Agreements. References to any Advisory Agreement or Advisory Agreements include Future Advisory Agreements as they pertain to future Funds.

³ Applicants are not seeking any exemptions with respect to the Advisory Agreements.

Subadvisers to provide investment advisory services to the Funds. Each Subadvisory Agreement will be approved by the Board, including by a majority of the Independent Trustees in accordance with Sections 15(a) and 15(c) of the Act. In addition, the Subadvisory Agreements will comply fully with the requirements of Sections 15(a) and 15(c) of the Act other than the shareholder approval required under Section 15(a). Each Subadviser to a Fund will be an “investment adviser,” as defined in section 2(a)(20)(B) of the Act, and registered as an investment adviser under the Advisers Act or will not be subject to registration under such Act.⁴

4. The Adviser will supervise the management and investment programs and operations of the Funds and evaluate the abilities and performance of other money management firms in order to identify appropriate Subadvisers for the Fund’s investment strategy. After a Subadviser is selected, the Adviser will continuously supervise and monitor the Subadviser’s performance and periodically recommend to the Board which Subadvisers should be retained or released. Neither the Trust nor the Funds will be responsible for paying subadvisory fees to any Subadviser. The Adviser will compensate the Subadvisers for a Fund out of the advisory fees that are paid to the Adviser under the applicable Advisory Agreement.

5. Applicants request an order to permit the Adviser, subject to the approval of the Board, to do the following without obtaining shareholder approval: (a) Select certain unaffiliated Subadvisers to manage all or a portion of the assets of the Persimmon Fund or future Funds pursuant to Subadvisory Agreements, and (b) materially amend Subadvisory Agreements with the Subadvisers. Each Fund’s prospectus has contained or will contain, at all times following the approval of the Manager of Managers Structure, the disclosure required by condition 2 below.

6. The requested relief will not extend to any subadviser that is an affiliated person, as defined in section 2(a)(3) of the Act, of the Trust, a Fund or the Adviser (other than by reason of serving as a subadviser to one or more Funds) (“Affiliated Subadviser”).

7. The Funds will inform shareholders of the hiring of a new Subadviser pursuant to the following

procedures (“Modified Notice and Access Procedures”): (a) Within 90 days after a new Subadviser is hired for any Fund, that Fund will send its shareholders either a Multi-manager Notice or a Multi-manager Notice and Multi-manager Information Statement, as applicable;⁵ and (b) the Fund will make the Multi-manager Information Statement available on the Web site identified in the Multi-manager Notice no later than when the Multi-manager Notice (or Multi-manager Notice and Multi-manager Information Statement) is first sent to shareholders, and will maintain it on that Web site for at least 90 days.

Applicants’ Legal Analysis

1. Section 15(a) of the Act provides, in relevant part, that it is unlawful for any person to act as an investment adviser to a registered investment company except pursuant to a written contract that has been approved by the vote of a majority of the company’s outstanding voting securities. Rule 18f–2 under the Act provides that each series or class of securities in a series investment company affected by a matter must approve that matter if the Act requires shareholder approval.

2. Section 6(c) of the Act provides that the Commission may exempt any person, security, or transaction or any class or classes of persons, securities, or transactions from any provisions of the Act, or from any rule thereunder, if such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. Applicants state that the requested relief meets this standard for the reasons discussed below.

3. Applicants assert that the requested relief is consistent with the protection of investors. Primary responsibility for

⁵ The “Multi-manager Notice” will be modeled on a Notice of Internet Availability as defined in rule 14a–16 under the Securities Exchange Act of 1934 (“Exchange Act”), and specifically will, among other things: (a) Summarize the relevant information regarding the new Subadviser; (b) inform shareholders that the Multi-manager Information Statement is available on a Web site; (c) provide the Web site address; (d) state the time period during which the Multi-manager Information Statement will remain available on that Web site; (e) provide instructions for accessing and printing the Multi-manager Information Statement; and (f) instruct the shareholder that a paper or email copy of the Multi manager Information Statement may be obtained, without charge, by contacting the Funds. A “Multi-manager Information Statement” will meet the requirements of Regulation 14C, Schedule 14C and Item 22 of Schedule 14A under the Exchange Act for an information statement. Multi-manager Information Statements will be filed electronically with the Commission via the EDGAR system.

management of the Funds, including the selection and supervision of the Subadvisers, is vested in the Adviser, subject to the oversight of the Board. Applicants state that from the perspective of the investor, the role of the Subadvisers with respect to the Funds is substantially equivalent to the role of the individual portfolio managers employed by the Adviser for a Fund’s assets managed by the Adviser. Both the portfolio managers and the Subadvisers are concerned principally with the selection of portfolio investments in accordance with each Fund’s respective investment objectives and policies and have no significant supervisory, management or administrative responsibilities with respect to the Funds. Applicants state that requiring shareholder approval of each Subadvisory Agreement would impose costs and unnecessary delays on the Funds, and may preclude the Adviser from acting promptly in a manner considered advisable by the Board. Applicants note that the Advisory Agreements and any subadvisory agreement with an Affiliated Subadviser will remain subject to sections 15(a) and (c) of the Act and rule 18f–2 thereunder.

Applicants’ Conditions

Applicants agree that any order granting the requested relief will be subject to the following conditions:

1. Before a Fund may rely on the requested order, the operation of the Fund in the manner described in the application will be approved by a majority of the Fund’s outstanding voting securities, as defined in the Act, or in the case of a Fund whose public shareholders purchase shares on the basis of a prospectus containing the disclosure contemplated by condition 2 below, by the initial shareholder(s) before offering shares of that Fund to the public.

2. Each Fund relying on the requested order will disclose in its prospectus the existence, substance, and effect of any order granted pursuant to the application. Each Fund will hold itself out to the public as utilizing the Manager of Managers Structure. The prospectus will prominently disclose that the Adviser has ultimate responsibility (subject to oversight by the Board) to oversee the Subadvisers and recommend their hiring, termination, and replacement.

3. Funds will inform shareholders of the hiring of a new Subadviser within 90 days after the hiring of the new Subadviser pursuant to the Modified Notice and Access Procedures.

4. The Adviser will not enter into a subadvisory agreement with any

⁴ If the name of any Fund contains the name of a Subadviser, the name of the Adviser will precede the name of the Subadviser.

Affiliated Subadviser without such agreement, including the compensation to be paid thereunder, being approved by the shareholders of the applicable Fund.

5. At all times, at least a majority of the Board will be Independent Trustees, and the nomination of new or additional Independent Trustees will be placed within the discretion of the then-existing Independent Trustees.

6. Whenever a subadviser change is proposed for a Fund with an Affiliated Subadviser, the Board, including a majority of the Independent Trustees, will make a separate finding, reflected in the Board minutes, that such change is in the best interests of the Fund and its shareholders, and does not involve a conflict of interest from which the Adviser or the Affiliated Subadviser derives an inappropriate advantage.

7. The Adviser will provide general management services to each Fund, including overall supervisory responsibility for the general management and investment of each Fund's assets and, subject to review and approval of the Board, will: (a) Set each Fund's overall investment strategies; (b) evaluate, select and recommend Subadvisers to manage all or a part of each Fund's assets; (c) allocate and, when appropriate, reallocate each Fund's assets among one or more Subadvisers; (d) monitor and evaluate the performance of Subadvisers; and (e) implement procedures reasonably designed to ensure that the Subadvisers comply with each Fund's investment objective, policies and restrictions.

8. No trustee or officer of the Trust or a Fund, or director, manager, or officer of the Adviser, will own, directly or indirectly (other than through a pooled investment vehicle that is not controlled by such person), any interest in a Subadviser, except for (a) ownership of interests in the Adviser or any entity that controls, is controlled by, or is under common control with the Adviser or (b) ownership of less than 1% of the outstanding securities of any class of equity or debt of any publicly traded company that is either a Subadviser or an entity that controls, is controlled by, or is under common control with a Subadviser.

9. Any new Subadvisory Agreement or any amendment to an existing Advisory Agreement or Subadvisory Agreement that directly or indirectly results in an increase in the aggregate advisory fee rate payable by the Fund will be submitted to the Fund's shareholders for approval.

10. In the event the Commission adopts a rule under the Act providing substantially similar relief to that in the

order requested in the application, the requested order will expire on the effective date of that rule.

For the Commission, by the Division of Investment Management, under delegated authority.

Kevin M. O'Neill,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-72864; File No. SR-NYSEArca-2014-86]

Self-Regulatory Organizations; NYSEArca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Rule 6.70 to Make the Rule Applicable to All Transactions on the Exchange

August 19, 2014.

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 (the "Act")² and Rule 19b-4 thereunder,³ notice is hereby given that August 11, 2014, New York Stock Exchange LLC ("NYSE" or the "Exchange") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of the Substance of the Proposed Rule Change

The Exchange proposes to amend Rule 6.70 to make the rule applicable to all transactions on the Exchange. The text of the proposed rule change is available on the Exchange's Web site at www.nyse.com, at the principal office of the Exchange, and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of those statements may be examined at

the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend Rule 6.70 to make the rule applicable to all transactions on the Exchange.

Rule 6.70 currently provides that the price at which a non-electronic order is executed shall be binding notwithstanding that an erroneous report in respect thereto may have been rendered, or no report rendered. The rule further provides that a report shall not be binding if a non-electronic order was not actually executed but was in error reported to have been executed. For example, if a report is issued that an non-electronic execution occurred, when in fact it did not, that report is not binding. This rule is relevant because OTP Holders rely on reports from the Exchange to determine whether they have engaged in a transaction on the Exchange. Commentary .02 to Rule 6.70 further provides that the terms of the rule apply only to transactions occurring on the floor of the Exchange and does not apply to transactions occurring on the NYSE Arca electronic trading system.

The Exchange proposes to amend Rule 6.70 to make it applicable to all reports on the Exchange, including reports relating to transactions occurring on the NYSE Arca electronic trading system. As proposed, if the Exchange issues a report of an electronic transaction to an OTP Holder when in fact that execution did not occur, that report of an execution would not be binding. The Exchange believes the proposed rule change would enable the Exchange to apply the same rule to all reports of executions, regardless of whether it is an electronic transaction. To effect this change, the Exchange proposes to delete the term "non electronic" in the first and second sentences of the rule text and delete Commentary .02 to the rule. The Exchange notes that the proposed rule change would harmonize the rules of the Exchange with the rules of NYSE MKT LLC ("NYSE MKT"), which operates NYSE Amex Options LLC, as well as the rules of the Chicago Board Options Exchange Incorporated ("CBOE"), International Securities Exchange, LLC ("ISE"), BATS Exchange,

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.